

Acquisition. The FAR outcome of Acquisition involves the contractor's acquisition of property by various means, including purchase, transfer, and fabrication. The contractor's acquisition of property is governed by FAR 52.245-1, applicable Cost Accounting Standards, and FAR [52.216-7](#), Allowable Cost and Payment.

Most contractors acquire property through an established purchasing system. Material control organizations initiate purchase requisitions, which are then submitted to the contractor's purchasing function. Source documents include MILSTRIP requisitions, purchase orders, transfer documents, petty cash documents, and fabrication orders. Supporting documents include purchase requisitions and engineering change proposals.

To test for compliance, the Property Administrator (PA) shall examine requisition and fabrication procedures, and perform sufficient testing to ensure the contractor:

- Has contractual authority for the acquisition of property including property obtained from Government supply sources.
- Properly prepares and processes MILSTRIP requisitions including routing identifiers and priority designators.
- Provides for internal reviews of available in-house items that are excess to other (contractual) requirements.
- Has the necessary internal controls to assure that quantities purchased are reasonable (consistent with contract type and scope).
- Performs actions in a timely manner.
- Maintains adequate support and supporting documentation (properly maintained files that reflect the status of requisitions and other acquisition documents)
- Demonstrates appropriate follow-up actions.
- Ensures that (when the purchase order is for property for more than one contract), the quantity acquired for each contract is specified in the purchase order or supporting documentation to ensure proper charging.